

**THE INSURANCE CODE OF 1956 (EXCERPT)**  
**Act 218 of 1956**

**500.3721 Competition; public hearing; report; supplemental report and certification.**

Sec. 3721. (1) By May 15, 2007 and by each May 15 after 2007, the commissioner shall make a determination as to whether a reasonable degree of competition in the small employer carrier health market exists on a statewide basis. In making this determination, the commissioner shall hold a public hearing in 2007 and may hold a public hearing thereafter, shall seek advice and input from appropriate independent sources, and shall issue a report delineating specific classifications and kinds or types of insurance, if any, where competition does not exist and any suggested statutory or other changes necessary to increase or encourage competition. The report shall be based on relevant economic tests, including, but not limited to, those in subsection (3). Report findings shall not be based on any single measure of competition, but appropriate weight shall be given to all measures of competition.

(2) If the results of the report issued under subsection (1) are disputed or if the commissioner determines that circumstances that the report was based on have changed, the commissioner shall issue a supplemental report to the report under subsection (1) that includes a certification of whether or not a reasonable degree of competition exists in the small employer carrier health market. The supplemental report and certification shall be issued not later than December 15 immediately following the release of the report under subsection (1) that this report supplements and shall be supported by substantial evidence.

(3) All of the following shall be considered by the commissioner for purposes of subsections (1) and (2):

(a) The extent to which any carrier controls all or a portion of the small employer carrier health benefit plan market.

(b) Whether the total number of carriers writing small employer health benefit plan coverage in this state is sufficient to provide multiple options to small employers.

(c) The disparity among small employer health benefit plan rates and classifications to the extent that those classifications result in rate differentials.

(d) The availability of small employer health benefit plan coverage to small employers in all geographic areas and all types of business.

(e) The overall rate level that is not excessive, inadequate, or unfairly discriminatory.

(f) Any other factors the commissioner considers relevant.

(4) The reports and certifications required under subsections (1) and (2) shall be forwarded to the governor, the clerk of the house, the secretary of the senate, and all the members of the senate and house of representatives standing committees on insurance and health issues.

**History:** Add. 2003, Act 88, Eff. Jan. 23, 2004.

**Popular name:** Act 218